



cutting through complexity

PERFORMANCE & TECHNOLOGY

Social media: the voyage of discovery for business

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If you only have time for one page...

Voyage. It's a very evocative word. Voyage conjures up images of lengthy journeys to unfamiliar places that are most likely exciting and daunting at the same time. Similarly, 'discovery' implies the unknown that could be exhilarating, unexpected or undesirable in equal measure. By its nature, a voyage of discovery cannot be too predictable. All of which seems to encapsulate fairly accurately where Australian businesses are at today with social media.

One thing is clear; with the explosion in use of social networking sites by the general public, more and more Australian organisations are actively considering their own social media journey. And whether still in contemplation mode or some way advanced, a heady mix of anticipating both positive outcomes and dreaded downsides is common. Indeed, given that social media is still only in its infancy, this is inevitable. However, it is no reason to be uninformed or inactive.

In this report we share insights from KPMG research on:

- What should organisations consider when starting their social media journey?
- What learnings can be drawn from the experiences of early travellers?

What should you consider before starting out?

- **Secure the real estate** – As there are limited handles, account and group names on each social media platform, some struggle when their 'official' names are already taken. Before you even have a plan, secure the real estate.
- **Listen first** – Most early adopters agree that listening is a key early and ongoing part of effective social media engagement. There are useful, free tools available. And remember – listening does not oblige you to talk back.
- **Experiment and learn** – There is no single path to follow so some level of experimentation and early learning is unavoidable. However, if your appetite for risk is low, there are still options that can fit with that profile.
- **Guide, don't throttle** – More mature organisations have simple social media guidelines. Very few employees want to do the wrong thing – if they do, there are probably deeper cultural issues in play. Don't make it too hard.
- **To earn community attention, offer real value** – Audience attention can easily change and must be continually earned.
- **Mistakes and complaints will happen** – It is certain that negative comments and issues will arise. How you respond to them is what matters. Be open, human and truthful.

Once underway, what can be learned from others?

- **Challenge old ways of thinking on community engagement** – Perhaps more than anything else, consumers lead the nature of language and communication in social media. Your conversation needs a similar voice – #k?
- **Unify and embed** – Spread social media usage across the organisation and have a consistent brand presentation.
- **The move to strategy** – Unlike many areas of business, in social media, it seems a higher level strategy follows initial action rather than guides it from the outset. There is no single, clear path to be followed.
- **Not free, resource heavy** – Successful adopters believe it is essential to properly resource social media initiatives yet most had under-estimated the work involved in maintaining their social media presence.

Introduction

Many organisations across the globe have taken the plunge with social media, some with a big splash and others with a timid ripple¹.

Global use of social media as a business tool is growing rapidly – and not before time. Studies of quantifiable business value reveal that enterprises embracing social media are 50 percent more likely to gain market share against competitors and higher profit margins than non-networked organisations². Increasing customer satisfaction coupled with reduced marketing costs, as well as reduced time to market for products/services are also cited as key benefits by those using social media².

At the same time, as our survey shows, at 42 percent, Australian business usage of social media lags usage by the general public at 58 percent³ (Figure 1, page 14). Social media can no longer be ignored by organisations that claim to be ‘customer-led’ or ‘customer-focussed’. Customers are talking about organisations and their brands in this space where they are spending their time – and increasingly, their money too.

The adoption and diffusion pattern for enterprise applications of social media appears to be mirroring the classic S-curve of past technology adoption – early adopters have learned to use the new technology, prompting rapid uptake as others recognise its value². Given that some organisations have already been active in the social media space for five or more years, those who are only now embracing the medium have much to learn.

With the explosion of interest in social media, questions surrounding the topic have evolved from an early focus on ‘whether or not to use it’, to ‘how to use it’, to a growing interest in ‘how to use it more effectively’. Social media has already spread into core areas of the value chain, including the marketing and communications, human relations and customer service departments⁴.

Attention is increasingly turning to innovative ways of using social media to achieve competitive differentiation and offer real value to target audiences. Although for many senior executives, concerns about social media use still centre on security, control and risk issues, more experienced users are working on improving and extending deployment and refining initiatives.

To contribute to insights on how best to approach social media as a mainstream business activity, KPMG conducted research on the current experiences and future plans of Australian organisations who are already using social media. In this report, we detail insights and lessons learned by early adopters on their journey to generate real value for both their organisation and audiences.

Definition of social media

In this report, we use the terms ‘external social media’ and ‘social media’ to refer to any technologies, websites or applications that facilitate interaction and collaboration between online users, creating a community that extends outside the organisation. We use the social media classification developed by Kaplan et al. to illustrate common examples⁵:

- social networking sites, e.g. Facebook, LinkedIn
- content sharing sites, e.g. YouTube, Flickr
- blogs, including micro-blogs such as Twitter

¹ Burson-Marsteller (2010) The Global Social Media Check-up: insights from the Burson-Marsteller Evidence-Based Communications Group.

² McKinsey Quarterly (2010) The rise of the networked enterprise: Web 2.0 finds its payday, December 2010.

³ Sensis (2011) Social Media Report: What Australian people and business are doing with social media, May 2011.

⁴ Cisco (2010) Global Study Reveals Proliferation of Consumer-Based Social Networking Throughout the Enterprise and a Growing Need for Governance and IT Involvement, Press Release, 13 Jan 2010.

⁵ Kaplan et al. (2010) Users of the world unite! The challenges and opportunities of Social Media Business Horizons (2010), vol. 53, pp. 59-68.

- collaborative projects, e.g. Wikipedia, Delicious
- virtual social and game worlds, e.g. Second Life, World of Warcraft, Farmville.

Internal social networking tools, such as Yammer, were specifically excluded from our definition and our studies.

Research approach

We aimed to develop practical insights to assist organisations when starting out on their social media voyage. We focused on the journey taken by organisations that are using external social media to achieve business outcomes. This included where they started, where they are now and where they want to be next. We explored the ways in which social media initiatives are managed internally, such as how to govern it, how to resource it and how best to set up the 'back-end' to achieve good outcomes from social media initiatives.

The over-arching research questions were:

- ***What should organisations consider when starting their social media journey?***
- ***What insights can be drawn from the experiences of early travellers?***

To achieve our research goals, we conducted complementary quantitative and qualitative studies from September 2010 to May 2011, consisting of:

- a series of face-to-face interviews with experienced staff in social media roles at large organisations in Australia
- an online survey of 190 Australian managers on their organisation's current approach to social media use.

Full details of the methods used, including the organisation selection, respondent selection, data collection and a description of the respondents are provided in Appendix 1 on page 17.

This report consists of two parts.

The first part provides direct insights from the experiences of early adopters, revealing important aspects to consider when embarking on a social media journey. The second part provides a snapshot from the survey of where organisations using social media are focusing their efforts today and plan to in the immediate future.



Experiences on the social media voyage of discovery

This section outlines the common experiences of early adopters including lessons learned in practice.

The interviews with early adopters revealed a wide diversity of ways to use social media externally to achieve successful business outcomes. No two approaches were the same. They ranged from having, as one reported, “85 Facebook pages, 200 Twitter accounts, over 30 YouTube channels” assisted by a single, internal social media co-ordinator, to outsourcing almost all social media activity for four major brands to external marketing agencies.

Respondents described social media as both new and perpetually evolving, with no rules on the right way to approach it.

The bottom line is it’s just new for everybody... there are no rules, there is a lot of trial and error, there’s a lot of testing, a lot of learning, and then applying it.

Most had accounts on multiple social media platforms, including Facebook, Twitter, YouTube, Flickr, MySpace and Foursquare. However, many noted that their choice of platforms had changed over time, particularly with the rise and fall in the popularity of particular social media sites. The predominant factor influencing choice of site was audience reach. As one respondent noted, “we’ve got to be where our audience is, or is showing a propensity towards being.”

This section provides insights that we have presented in two broad phases based on whether organisations are firstly still in the planning or very early stage of their social media journey, or secondly are already underway but value guidance from those who may be further advanced.

What should you consider before starting out?

This section is specifically aimed at the majority of Australian businesses that have not yet commenced their social media voyage, as well as those who have only just started.

Secure the real estate

A common theme raised by over half of the respondents was the challenge of securing handles, account and group names on social networking sites. As one respondent stated, “there is a limited amount of real estate online and we want to be seen at that location”.

Some respondents had considered this prior to launching on new channels and reserved these in advance with success. Others described the challenges that followed when setting up an official company site only to find that the names were already in use elsewhere.

“If you get in too late, people will take all your handles and account names and you’ll have a battle to get them back. Our [company name] YouTube account is owned by somebody else, we’re trying to find out who it is.”

Gather the assets. Even if you are not active in the social media space, you probably will be.

Respondents cited examples in which names were already taken online, including by companies with the same name overseas and also staff who had informally secured and started using the 'officially named' site to broadcast their own work related content.

"There's a [company name] in Canada...they're trying to get into social media and they've taken up all the [company name] channels."

Respondents agreed that it is important for organisations to 'gather the assets', even if they are not yet active in the social media space. As one respondent noted, the public now know how to find accounts and may already be looking for official sites, whether they exist or not.

"We've set up a [company name] gateway in each of these spaces. I set those up because I was really aware of people now knowing how to find [social media] accounts, and also knowing which [gateways] were official and which weren't."

Listen first

All respondents described the key importance of listening at all stages of the social media journey. For some, listening began well before establishing an online presence. Respondents noted that listening was essential for both determining the most appropriate business uses and for the ongoing refinement of initiatives to meet audience needs.

"There are two quite large areas you could shoe horn everything into. One is how we are using social media to listen to our consumers, and then there's how we can use social media to connect our brands and our ideas to their target audiences".

A challenge for a number of respondents occurred when they started listening yet had no processes in place to take action on what they heard.

"We started getting these weekly reports in. It was funny because we were sharing them with colleagues in corporate affairs area and [they said] what can I do with it? [I said] What do you want me to do with it?"

For some this led to setting up cross-business committees or groups to, as one respondent noted, *"figure out what the heck to do with this information"*. A respondent observed that reports generated by social media monitoring tools allowed the team to gain more traction across the business by demonstrating tangible evidence of audience views and sentiment.

In order to listen to conversations about their organisation, two thirds of the interviewees were using free services such as Google Alerts, while the remainder used social media monitoring tools. A key benefit cited for free services was the ability to start listening with minimal up-front investment.

"I'd like to see a better social media monitoring tool. I sit in presentations [about monitoring tools] and they ask 'do you know that people are saying this about your organisation?' And I do know, not because I'm using a fancy tool, because I take the time to browse myself."

As in life as a whole, so too in social media, listening is a key skill. At the beginning, listening to unfiltered commentary on your business may be confronting; at best it will have uncomfortable moments. However, it probably pays to be a little patient initially – resist the temptation to dive in and respond to the first undesirable comment you come across. Also remember, listening does not obligate you to respond.

Listening is key. Consider setting up a cross-business social media committee to monitor social media presence. Find out what's really happening out there.

Experiment and learn

Almost all of the respondents described the start of their social media journey in terms of organic growth, experimentation and learning. Figure 2 of our survey results on page 14 shows that a balanced range of social media engagement is occurring across six distinct external facing areas of activity with many organisations showing plans to extend their activities further in the near term.

Areas to learn about included the medium itself, how to engage with audiences and how to be more effective.

“So we started this process of listening and also this journey of self discovery in terms of how does social media work, what are the dynamics, how do you engage with customers that have issues?”

“We had this organic growth going on, which was great because there was experimentation, we could take insights and learn from them, move forward with a strategy.”

The appetite for experimentation varied between organisations. For some, experimentation occurred within their core initiatives as they mastered the medium, or as one respondent noted *“while learning the basics”*. Others experimented by investigating opportunities across a wide variety of platforms.

“We have Facebook, Twitter, Flickr and YouTube. They’re the main four. We have a whole suite of other sites we’re trialling. There’s a team of us who work together and we have different opinions so we’re trialling stuff and we’ll sit down at some point and cut back. We’re all pretty excited in the first instance when something comes out.”

With ongoing site feature updates, growing accessibility for audiences via mobile handsets and emerging complementary technologies such as QR codes, respondents felt that experimenting is an essential part of the social media journey.

One interviewee suggested a low-risk way to learn how social media worked before diving in with an official corporate or brand presence was to trial via personal accounts. Also cited as important is including people on the implementation team who fully understand both the tools and the business culture to minimise the learning curve.

“Make sure that people that have an understanding of the space are involved from the first step to the last step. And trial it before you actually do it. It may not be under your corporate name, but people that will be in the account can set up their own personal accounts and can have a bit of a go that way.”

Bear in mind also, the people with the best understanding and knowledge of social media may not necessarily be the people who currently occupy the senior roles in your existing customer engagement structure.

Guide, don’t throttle

A central theme for approaching social media governance that is closely related to the previous point, is to guide employee use, rather than developing extensive formal rules that restrict it. Respondents noted that ‘clamping down’ was likely to lead to more, rather than less, misuse of social media.

“A lot of companies have really clamped down and they’ve got a really intricate detailed policy about what you can and can’t say on these different platforms. But that seems to often fly back in the face of people, because it is so easy to transgress.”

Experimenting is an essential part of the journey. Consider setting up personal accounts to explore different social media channels, engaging with audiences and becoming more effective.

Encourage employees to contribute. Develop simple guidelines, consisting of only a few key recommendations about how to behave online.

“If you have a lot of rules, people will go in two ways. They’ll either adhere to all the rules and they’ll be really frightened to do anything wrong and they’ll have probably the opposite of what you want to have as a presence on social media networks. Or they’ll fly in the face of it and they’ll think it’s way too much, take this off, I know what I’m talking about.”

Many had very simple guidelines, consisting of a few key recommendations on how to behave online. Respondents described their policies as simple, straightforward and designed to encourage common sense, trust and ownership for employees.

“We have got a social media policy...it is a really straightforward four step policy... having that simple policy to date has meant we’ve had hardly any issues, probably a handful. But given how active our staff are on social media... the policies seem to prevail.”

Few had experienced issues with inappropriate behaviour by employees. Similarly to managing inappropriate customer use, those who had experienced issues noted that taking action to rectify the situation tended to prevent such events happening in the future. Examples included reprimanding staff and banning their use of social media at work.

“You can just give people guide rails and as long as you do that, as long as they stick to those, you’re probably going to be okay. Then if anything does happen, it’s about how you react to it.”

When opening up use to employees, respondents noted that an unexpected challenge was encouraging employees to contribute online. For some, employees were hesitant to use the tools, fearing they may say the wrong thing and so choose instead to say nothing at all. Guidelines and training are then important to help employees gain confidence in speaking on behalf of the organisation. As one respondent noted, not only are organisations learning how to use social media for business purposes but so are employees as well.

“There’s no firewall when it comes to social media. There can’t be because one of the key ways in which we learn about social media and how we can utilise it for our brands is by letting [our employees] live it...”

To earn community attention, offer real value

Another strong and common theme is the criticality of offering real value for target audiences. Respondents noted that for some companies, just having a presence online was insufficient to attract members. It was also important to develop offerings to meet specific community needs, as well as business needs.

“So what we’re trying to do is offer people a value proposition, it’s not just come here...but come here and become part of a powerful community network about trust and commitment to each others’ self development and growth”.

One manager noted that needs changed for different customer segments on different sites. This required ongoing exploration to find out what worked for distinct communities. Asking for feedback from site members was one method used by respondents to fine-tune or develop their initiatives.

“People won’t come and use your service if you’re not giving them what they want. They have to have a reason to engage with you, and if you don’t have a reason for them to engage, no-one’s going to come to the party. Make sure you’re giving something.”

Get to know your audience. Consider the needs of distinct communities and tailor offerings accordingly.

“The key lesson that I’ve taken out from that is you need to earn people’s attention much like you need to [understand] their goal. We don’t just pick people up and take them to our Facebook page. We ask them, what content do you want? Because we know if you don’t want that content you are not going to click on the button.”

Respondents also cautioned about rushing into social media (beyond passive monitoring and listening) without being prepared to respond to members. They noted that audience members developed expectations and once in the space it was dangerous to pull out.

“People have got this expectation that you’re there and that you’re part of the conversation and then you pull away and that’s actually worse than not starting.”

Expectations were also reported to grow over time, particularly after organisations used their sites with great success through campaigns, competitions and insights about the enterprise. Maintaining the standards set through ongoing preparation, participation and new offerings was viewed as an integral part of social media evolution.

“Execute really, really well. Don’t do it if you’re not ready to do it properly. Lots of people rush out to have a presence without being prepared. Have everything lined up. Anticipate as much as you can in advance.”

Mistakes and complaints will happen

Related to learning and experimenting is the flipside of making mistakes. That likelihood is almost certainly 100 percent. Respondents agreed that mistakes would undoubtedly occur and it was how they were dealt with that mattered.

“The most important thing for you to recognise is that you’re going to make mistakes and you’re going to do it a lot. If you’re frightened of it you’re not going to get anywhere... accept that and as long as you’re open and upfront and honest about it and say ‘oops, sorry’ then you should be ok.”

Respondents stated that although mistakes could lead to bad press in the short term, they could also be turned into good press by taking fast action, admitting the mistake and taking steps to rectify it.

“So in the span of a week we had everyone hating us... and then before you knew it we were trying to establish best practice and people came around when they saw what we were doing saying ‘good on you guys for changing so quickly’.”

“By admitting we can’t get it right all of the time, admitting that and fixing it, we’re showing that we’re just like you, we’re human.”

Customer complaints were dealt with in a similar way, by participating in the conversation both on corporate sites and within external forums. Respondents also noted that even if organisations did not want to engage in social media, negative conversations could be happening anyway. They contended that the only way to reshape these conversations is by taking part in them.

“Where it does make sense is to be a venue for people to... in some cases let off steam. I have zero fear of that... it changes so quickly. I get emails one day that are complaints, the next day the same person is giving us a compliment [because we’ve responded].”

You’re not going to get it right the first time. Consider reshaping conversations by taking part in them, rather than withdrawing at the first sign of trouble.

“With the right systems in place, the right speed, being genuine. We don’t just talk to people who talk to us, but we talk to people who are talking to each other about us. We get points then just for responding. You’re already better off.”

Dealing with complaints by censoring the content on corporate sites was viewed as an ineffective approach. As community numbers went up, sites with strong community membership self-moderated. A number of respondents reported instances in which the community resolved issues for them.

“If you’ve got people on Facebook saying [your company] is the worst company ever what do you do? Do you delete that comment? No. Others [members] often go, well, myself and my friends have had decent experiences, I think they are a good company. People are going to take that into consideration.”

One respondent noted that posters themselves also self-moderated at times, particularly when they expected organisations to block negative comments.

“We allow comments, like on YouTube, people will write [something] disgusting. They don’t think we’re an organisation that would allow the comments. So they automatically delete their comment. They put it up, they go ‘Oh my God’ when they see it’s there, I get the email and I go in to look at it and they’ve often removed it themselves.”

Once underway, what can be learned from others?

Having listened, contemplated and had an initial engagement with social media, our reference organisations described a process of maturing that occurred after this initial phase.

“So we’ve kind of done phase one, which is ‘hey, we’re experimenting’, it’s fully organic growth and we’re seeing how it goes, what works, what doesn’t. You’ve got a presence... and now it’s about how do you embed this into the brand itself, how do you look to build a stronger connection with customers?”

For some, the focus shifted to new ways of engaging with their target audience and/or developing a more unified voice from across the organisation. For others, the focus was on new ways to use social media with a far more strategic focus.

Challenge old ways of thinking on audience engagement

A common challenge encountered by respondents occurred when their organisation insisted on applying the traditional rules for external communication to social media channels. They noted that traditional communications, for example via press releases and the corporate website, simply did not match the expectations of a social media audience. These expectations include immediate response, 24-7 availability, and the use of personal rather than formal, business language. A contributing factor is the abbreviations needed to meet the 140 characters per message constraint of Twitter. Respondents noted that these differences would eventually require the rework of existing policies and guidelines to reflect new interactions with audiences.

“We’re quite fortunate. We’ve got a style guide which we’re supposed to adhere to for all content. Not for social media, it’s too inflexible for me to use. I’m lucky I come from the department where the style guide is from. I can bend the rules a little bit to suit my audience.”

Some people noted they began with few organisational constraints, while others experienced strong controls on how to communicate via the medium. For those heavily constrained, respondents tried various strategies to overcome barriers. One respondent described how they started with traditional processes then quickly revised them when they experienced social backlash from their audiences.

Look through the customer’s eyes. Rework existing policies and guidelines to factor in different audience expectations.

“So we said let’s experiment and let’s try creating our own customer service account... so we launched [but] we followed traditional corporate processes... minutes into this thing customers accused us of using robots [to update and respond] because it had gone through our processes, everything was stripped out. Within days we revamped the process and made the changes quickly.”

Another described setting up a group outside of the organisation without branding in order to avoid constraints.

“It sits outside the organisation and that’s deliberate. It’s a deliberate strategy to overcome the constraints and limitations of a functional hierarchy... we could never achieve what we’ve achieved if we’d gone through the official channels.”

All respondents described the need for a shift in mindset across the organisation to fully embrace the medium. This included both educating staff on how to use social media and educating management on its inherent business value.

“It’s about changing peoples’ views of how to do it. It becomes more of a challenge not to do it but it’s about changing the mindset...people in marketing want to do it the way they’ve always done it.”

It was common to experience delays in initiating new features due to key stakeholder caution. Respondents noted it was worth investing more time up-front to gain better support from management and employees, particularly when senior management were not familiar or comfortable with the tools.

“The brand teams are very keen to turn it on [allow customers to upload videos]. The public affairs communications department, the legal department and the senior stakeholders are a lot more reticent.”

“Internal stakeholder buy-in, I would’ve invested a lot more time in that upfront. You need to do it a lot more than you think. You’ve done the presentation but often people only absorb about ten percent and you need to go back again and again to keep on hammering the benefits.”

In short, the internal education process needs focus and may well need an ongoing commitment for quite some time.

Unify and embed

Once beyond the initial challenges of communication style and proof of value, some enterprises had taken steps to consolidate and unify the messages being broadcast from different parts of the organisation. This included developing a holistic view of the variety of social media initiatives that are occurring.

“We’re entering a more mature phase... where it’s time to reflect on what we’ve tried and where we are and streamline our communication a bit more. Present a unified message and make sure that message continues to be unified.”



As you become more familiar, take a more strategic, commercial focus. Develop a consistent, unified message across all social media channels.

"We had a lot of accounts across different platforms. But no-one really knew what we were doing as a whole and how all our different little pockets of activities combined together to what that ultimate end experience was for a user, for an audience member."

We heard of a range of approaches to develop a consistent corporate voice for audiences. This included embracing internal social networking tools to connect staff involved in different initiatives.

"One thing we've realised is we need to be really effective with our internal social networking. So that externally we come across as a really seamless, co-ordinated presence. It is good to have individual accounts as long as we really champion our differences. But then when there are things that are really valuable to connect together, we do that."

It also included providing training to employees, both for general personal access while at work and more detailed training for those using social media as part of their role. For example, one organisation had two layers of employee training, depending on exposure to the medium.

"This employee engagement training was for [all employees], people that would just be talking about [our organisation]... but the second degree of training is if you are using social media to support business objectives."

The move to strategy

Many of our interviewees felt they had mastered their initial offerings and were now moving to consider much more strategic ways to offer value to audiences. However, revealingly, Figure 4 of our survey results on page 15 shows that there is a diversity of views on the key success factors for social media use in business. Interestingly, having a clear social media strategy was only rated as a key factor by 16 percent of survey respondents.

Nonetheless, once beyond the initial phase of engagement and experimentation, the focus shifts from how to use social media, to how to use it more strategically. Respondents described their evolving focus on new ways to engage with audiences via their now established core channels and/or deeper service offerings on additional channels.

"So we've got some core assets like YouTube, our corporate blog, Twitter and Facebook accounts where people are seeing some of the things we can do. Now we're doing a bit more of a deeper dive in with the business units to say 'how do you see social media supporting your business objectives?'"

One respondent noted the organisation's next phase would be to systematically approach all business units to consider how each could use the tools to drive business value. Another noted that to be truly effective, organisations need to extend beyond mere presence and offer their core services via social media channels. This is perhaps less about setting a strategy and more about acting in a more strategic mode.

"... we're sort of at the peak now and I'm worried it's going to [drop off] if we can't keep up with [audience] expectations. We're seen as leaders because we've been so ballsy and tried all these things, it's a case of the organisation catching up now [to offer services]"

There is a key message in this last observation which is that it is the audience who will continue to lead and organisations who will typically be following. The voyage will never be stationary for very long.

Not free, resource heavy

There is one final, crucial observation that emerged from our interviews. All respondents described the resource intensive nature of social media, noting it required far more input and effort than anticipated. As one respondent stated, there is far more work involved for corporations than simply updating one or two Facebook profiles.

“It’s resource intensive, no matter how you look at it, even if it can save you time in the long run, it is still resource intensive and a big commitment.”

“A lot of people start [social media] pages and they just think about what they want to do on that page. But they don’t think about all the responsibility that it entails and why strategically, but also on a practical level in terms of resources, what it is going to take to stay on a really good page.”

Two of the respondents described being the sole person in their organisation responsible for generating and driving new directions with social media. For the remaining interviewees, small teams from two to twelve members had been allocated to update content, manage social media use and determine new uses.

With or without a team, respondents noted audience expectations to provide responses around the clock, leading in some cases to considerable out of hours workloads. Some respondents managed this by updating on weekends. As one noted, *‘I use my iPhone at the weekends, I use it all the time’*. In other organisations, call-centre staff and retail staff were being trained to use social media effectively, providing coverage both during weekdays and weekends.

Enabling other staff to take on social media work throughout the organisation was a key way to spread the workload. As one respondent noted, *“more people make lighter work”*.

“We’re opening it up. In the traditional sense you write a media release, that would be the public affairs manager and they would take that through the various processes of approval. Now when we write a blog, we’re asking our employees who would like to write blogs?”

When opening up social media to wider staff involvement in business uses, the primary role for social media staff was then to help others with how to use social media effectively.

“It’s more about advising people on the effective ways to use the technologies, to be strategic rather than being excited about social media and wanting to try it out. It’s about helping them figure out what they want to achieve, the very last step is then figuring out the tools to use. Once it’s set up, it’s up to them to maintain it, it’s in their hands.”

One way of thinking about this is to regard all of your workforce as likely advocates and channels to market in a social media context. Perhaps the best way of mitigating a ‘resource heavy’ load is to spread the involvement across as many people as possible to dramatically reduce the average burden. The other that needs serious consideration as the voyage progresses is whether the cost/benefit of social media activities justifies diverting resources from other areas ie. on a cost neutral basis to the organisation overall.

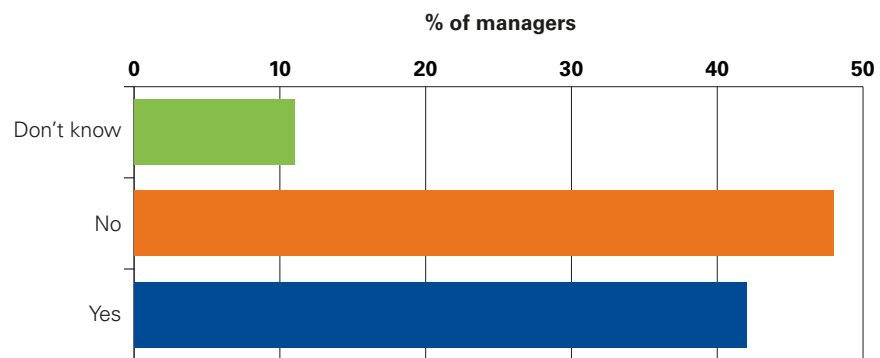
Gain early buy-in from senior management to allocate sufficient staff to maintain and expand social media initiatives.

Snapshot of social media use by Australian business

Responses from our survey of Australian managers reveal low adoption rates, with only 42 percent reporting that their organisation has embraced social media. Forty eight percent reported no use yet. One in 10 did not even know if their organisation was engaging in social media or not.

These findings are consistent with recent statistics on social media uptake, for example Sensis found that 14 percent of small businesses, 25 percent of medium businesses and 50 percent of large ones have a social media presence⁶.

Figure 1: Does your organisation use social media for any business purposes?



* Sample size, n = 190

Messages from those who are using social media

We asked the respondents already using social media a range of questions regarding their external uses of social media including: type of uses, structures in place to support initiatives, and their views on key activities to achieve success. In the sections below we extract responses from only those respondents that are already active users of social media.

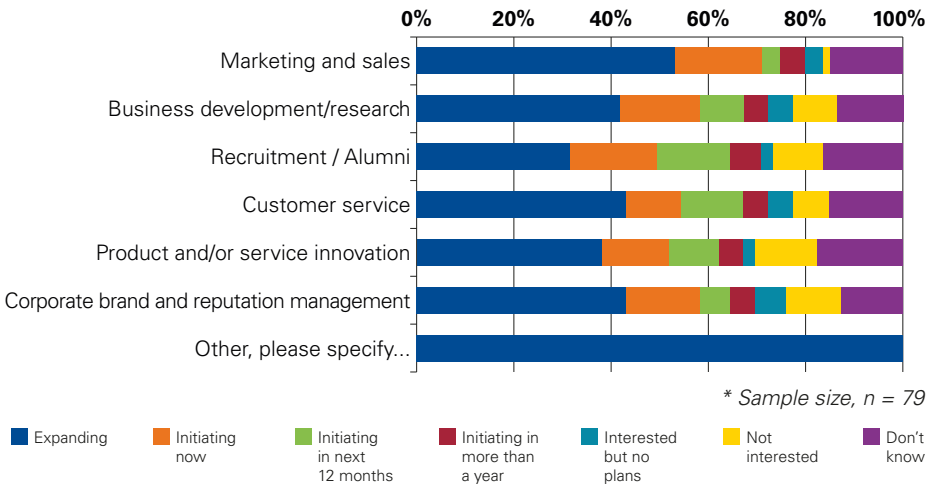
Multiple uses embraced and expanding

The primary use of social media by organisations is marketing and sales, with 53 percent expanding their efforts in this area. Approximately four out of 10 organisations are using social media to expand their customer service, corporate brand and reputation management, business development/research and product/service innovation capabilities.

This suggests that organisations that have already embraced social media are now diving in deeper. Our findings also indicate that many enterprises are exploring multiple social media initiatives across the business, rather than focusing on a single initiative.

⁶ Sensis (2011) Social Media Report: What Australian people and businesses are doing with social media, May 2011.

Figure 2: What are organisations currently using or planning to use external social media for?

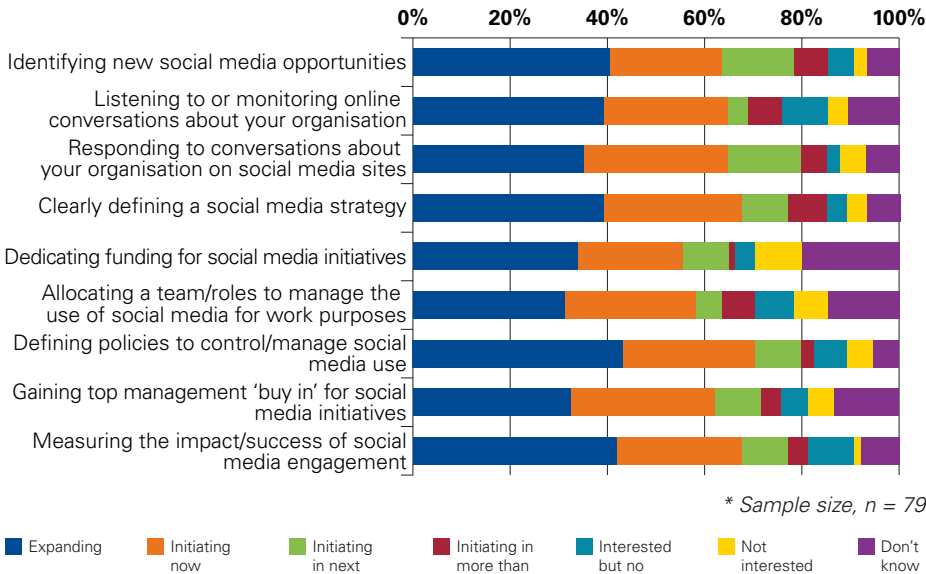


Widespread operational engagement

Many adopters are using multiple perspectives to guide their social media initiatives.

Findings reveal slightly heavier investment in the areas of strategy, policy development and measuring outcomes from initiatives, with around seven out of 10 adopters expanding or initiating now in these areas. Establishing an allocated team and dedicating funding are lower priority areas, with just over half (56 and 58 percent respectively) expanding or currently investing in these areas.

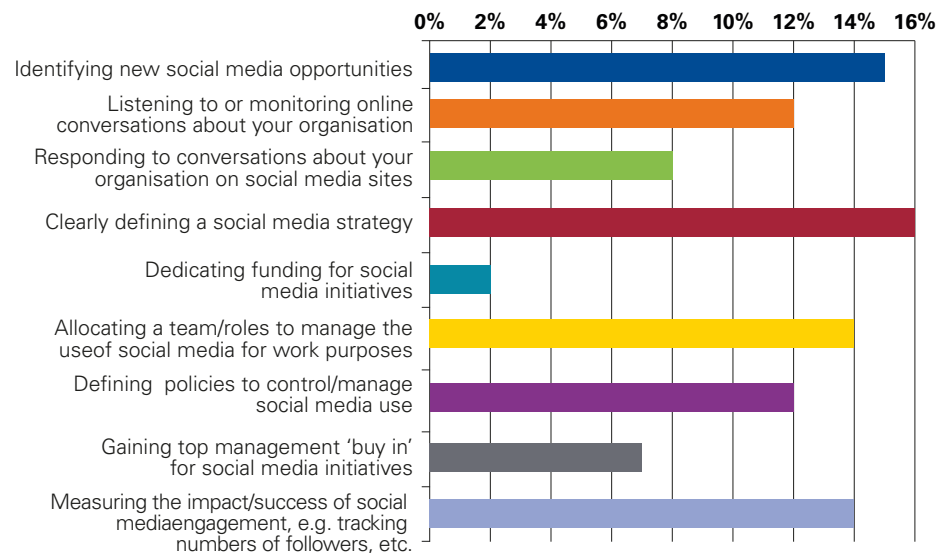
Figure 3: Which frameworks are organisations using or planning to use to manage social media initiatives?



No consensus on success

There is no clear agreement on the factors seen as key to achieving success. We asked respondents to rank the three factors they viewed as critical for success and weighted the results to reveal the highest ranked influences across all factors. Sixteen percent feel that clearly defining a social media strategy is important, while 15 percent prioritise identifying new opportunities for business uses. A further 14 percent consider allocating dedicated staff and measuring social media engagement as important. The lowest priority area is dedicated funding, with only two percent of respondents seeing this as a priority.

Figure 4: What are the key factors to achieving success with external social media use for business purposes?



* Sample size, n = 79

Overall, the survey and interview findings indicate a growing gap between those who are embracing social media and those who are not. The interviews highlight an inescapable early part of the social media voyage – learning and experimentation. Only after gaining experience does it appear possible to move on to more strategic and innovative use. This is reflected in Figure 4 in the lack of clear agreement on where to focus social media efforts. Direction and approach may only become clear after investing time and money into initiatives. With some of the interview respondents already five years into their voyage of discovery, the low adoption rates by organisations in the survey of 42 percent suggest that there will be much to catch up on for organisations at the start of their journey.

Conclusions

Planning and starting the journey

The simplest, quickest and most effective way to become active with social media, is to listen. Early adopters highlight this as an integral first step to understand their audiences, hear an unfiltered customer view of their organisation and gain greater insight into the needs of distinct segments. It is also an integral first step to thinking through the types of internal systems and resources needed to manage more active initiatives.

There is more to social media than it may seem at first to many organisations. Enterprises can easily under-estimate the effort required to support social media initiatives. Key to this is allocating sufficient staff to maintain and expand initiatives. Gaining buy-in across the different business functions and senior management is a significant task, requiring repeated investment of time and effort in some organisations. This includes gaining support to establish new initiatives, responding to the breadth of enquiries from audiences and encouraging widespread employee uptake. Taking social media seriously from the start, for example by providing training to those using the tools for business purposes and establishing clear ownership across different business units, can stand organisations in good stead. Also bear in mind that there are low risk initial pilot or trial processes that can be adopted without necessarily risking too much straight away eg. using personal or non-branded sites.

Taking the time to look at the competitor landscape can enable organisations to learn from others' mistakes. It may also help to identify ways to meet emerging needs, or differentiated customer acquisition and retention strategies that may be very different from your current methods and assumptions.

Once you are underway

Early adopters are displaying increasing sophistication in their use of social media for business purposes. They have moved beyond pure learning and experimentation and are heading towards a more strategic, commercial view. They are actively pursuing new ways to engage with audiences, moving beyond corporate presence alone.

Early adopters have mastered the basics and are rising to the next layer of learning to embrace new opportunities to capture real commercial value. One key challenge for some is managing resources as use by the public and demand from employees both explode. How can the learning that dedicated social media staff have developed over years be transferred broadly to employees clamouring to take up the tools? Another key challenge is stretching the boundaries beyond the increasingly well-established core social media channels to generate new, previously unthought-of ways, to enthuse and capture audience attention.

Properly used, social media can be an efficient way to engage with diverse audiences, to attain organisational objectives and enhance organisational credibility and reputation. However, to realise these benefits, many organisations may need to abandon much traditional thinking in order to offer real value to their key audiences.

There is no end in sight

And finally – social media is a very young phenomenon that is a long way from maturity for even the earliest and most advanced participants. It remains a journey of discovery for everyone. As such, it is not risk free. It does not have totally predictable outcomes. However, probably the biggest risk over the next few years will be avoiding the journey altogether. For one thing seems certain; your audience – your customers – are showing no sign of backing off from social media.

Appendix 1

Methods

KPMG's research consisted of both qualitative and quantitative data collection. For the qualitative component, we conducted one-to-one interviews with experienced staff in social media roles at medium to large sized organisations. For the quantitative component, we conducted a survey of managers about their respective organisations' use of external social media for business purposes. We collected data between September 2010 and June 2011 in Australia.

Survey

As part of KPMG's 2011 survey (at time of print in development)⁷ about external social media stances, use and approaches by organisations and employees, responses were collected from 190 managers in Australia. The survey was administered online during April and May 2011 by international research firm Research Now. The respondents were screened with initial questions in the survey to ensure that they were from organisations with a size of greater than 50 employees that provided employees with access to internet-enabled devices. Managers were classified as individuals with direct responsibility over others at an organisation, while employees had no managerial responsibility. For this report, we have extracted key findings on organisations' plans for external social media use for business purposes.

The survey component for Australian managers covered a wide range of industries, including 21 percent in the public and 79 percent in the private sectors. Ninety four percent were engaged in full-time roles (>35 hours per week), with the remaining working in part-time or casual roles. Three percent identified themselves as senior executives/business owners, 17 percent as senior managers and 80 percent as managers.

Interviews

Participants were selected for the research based on their level of responsibility, experience and involvement in overseeing and/or implementing social media initiatives within their organisations. Enterprises and staff involved in social media roles were identified through online analysis and existing KPMG connections.

We conducted 12 interviews with staff in a variety of social media and communications roles including social media managers, heads, coordinators, and advisers. Participants were located in Sydney and Melbourne. Participants were from organisations in government, retail, education, broadcasting, and telecommunications sectors.

⁷ KPMG's 2011 Survey of global stances on social media use, forthcoming



The interviews were semi-structured, allowing the exploration of key aspects and also important issues from the participants' perspective to emerge as discussions unfolded. Participants were asked to describe their organisation's social media journey and the frameworks in place that support their social media initiatives. The average length of interviews was 45 minutes, with these ranging from 30 minutes to one hour.

Where possible interviews were recorded using a digital voice recorder and then transcribed. Where recording was not possible, handwritten notes were taken during the meeting. Detailed notes were then written up from these immediately after the meeting.

The interviews were thematically and descriptively analysed. Findings were compared against secondary information gathered from a review of literature on social media from online sources, including online business and academic publications. Analysis was also informed by round-table discussions with 26 managers at 24 organisations in Melbourne and Adelaide held in May and June.

Transcriptions of audio recordings and detailed notes were coded and grouped into themes. Relationships between themes were identified and the analysis was written to describe these, forming the body of this report.

About KPMG

KPMG is one of the world's leading professional services networks.

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KPMG's IT Advisory group helps organisations better align their IT capabilities with their strategic and operational objectives. We offer a suite of services to help improve the return from IT investments and more effectively manage information and technology risks.

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